GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:40
ANSWERED ON:17.02.2009
UPGRADATION OF INDUSTRIAL INFRASTRUCTURE
Manoj Dr. K.S.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the salient features of the Industrial Infrastructure Upgradation Scheme(IIUS) and the Assistance to States for Developing Export Infrastructure and Allied Activities(ASIDE) schemes for upgrading industrial infrastructure in the country;

(b) whether the schemes are proposed to be continued in the Eleventh Plan;and

(c) if so, the details of assistance given to various industries during the last three years and the current year, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY(SHRI ASHWANI KUMAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF THE LOK SABHA STARRED QUESTION NO.40 FOR ANSWER ON 17.02.2009 REGARDING UPGRADATION OF INDUSTRIAL INFRASTRUCTURE

(a): The Industrial Infrastructure Upgradation Scheme (IIUS)targets creation of quality infrastructure in existing industrial clusters/ locations with high growth potential requiring strategic interventions in providing common facilities for transport, road, power supply, effluent treatment and solid waste disposal, Information, Communication Technology and such other physical infrastructures. Under the Scheme, Central Assistance is provided by way of one time grant-in-aid (not equity) to the Special Purpose Vehicle (SPV) formed by the cluster association for development of the infrastructure. The Assistance is restricted to 75% of the project cost subject to a ceiling of Rs. 50 crore. The remaining 25% is financed by other stake holders of the respective cluster/ location with a minimum industry contribution of 15% of the total project cost. Government funding is confined only to creation of assets and activities relating to productivity enhancement and no recurring expenditure is funded by Government under the scheme.Administrative expenses are restricted to 2% of the Central Assistance in the project.

Department of Commerce is implementing "Assistance to States for Developing Infrastructure and Allied Activities (ASIDE) Scheme with the objective of involving States in the creation of infrastructure critical for the exports. The specific purposes for which the fund is allocated under the Scheme are: creation of new Export Promotion Industrial Park (EPIP)/ Zones (including SEZs/ Agri-Business Zones) and augmenting facilities in the existing Zones, setting up of electronic and other related infrastructure, equity participation in infrastructure projects, meeting the requirement of capital outlay of EPIPs/ SEZs, development of complimentary infrastructure (such as road between production centre and port, setting up of inland container depots/ freight station), stabilizing power supply, development of minor ports and jetties, setting up of common effluent treatment plants, etc. 80% (State Component) of total outlay is allocated amongst the States on the basis of their export performance and 20% (Central Component) is retained at the Central level to meet the capital expenditure of the Central Agencies.The State component is allocated to the States in two tranches of 50% each. The allocation of the first tranche of 50% to the States is made on the basis of the share of the States in total exports, whereas the remaining 50% is allocated on the basis of growth in exports over the previous year.A minimum of 10% of the Scheme outlay is reserved for expenditure in the North Eastern States including Sikkim.

(b): Yes, Sir.

(c): Details are at Annexure I & II.